THIRTY-FIFTH
ANNUAL REPORT

2008
(Fiscal Year ended June 30th)

The Law
Foundation
of Saskatchewan

THE LAW FOUNDATION
(www.lawfoundation.sk.ca)

The Law Foundation of Saskatchewan
35th Annual Report for the Year Ended June 30, 2008
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 70 of The Legal Profession Act, 1990,
and amendments thereto

The Law Foundation of Saskatchewan was established in 1971. The legislative purpose of the Foundation is to establish and maintain a fund to be used for legal education, legal research, legal aid, law libraries and law reform. The Foundation's funds consist of interest earned on trust funds on deposit in lawyers mixed trust accounts and the investment income earned on those funds. All such trust funds accrue interest at rates negotiated between the Law Foundation and the various financial institutions where lawyers maintain trust accounts. During the year ended June 30, 2008, the total amount of interest earned on lawyers mixed trust accounts and paid to the Foundation was $8,321,697. Investment income was $601,734.

Since its inception, the Foundation has received total income of $67,578,000 and made grants totaling $54,668,000. The financial statements reflect $7,445,000 in Allocated surplus, to be used for specific future grants identified by the Foundation.

The major beneficiaries of the Law Foundations' funds for the year ended 30th June 2008 were the following:

- Law Society of Saskatchewan Libraries
- Public Legal Education Association
- Saskatchewan Legal Education Association
- Native Law Centre, University of Saskatchewan
- Law Reform Commission
- Elizabeth Fry Society – "Women's Court Workers Program"
- College of Law, University of Saskatchewan, Law Foundation of Saskatchewan Endowment Fund
- Saskatoon Sexual Assault & Information Centre
- Community Legal Assistance Services for Saskatoon Inner City Inc.
- College of Law, University of Saskatchewan expansion
- Endowed Chair in Police Studies – University of Regina
- Pro Bono Law Saskatchewan
- College of Law stipends – LLM candidates
- Aboriginal Law Endowment – University of Saskatchewan
- College of Law – Student Scholarships – University of Saskatchewan

An itemized list of all grants authorized by the Law Foundation during 2007-08 fiscal year totaling $6,068,194 is on Schedule "1" of the Financial Statements attached.

Recent major one time grants include: The establishment of the Saskatchewan Legal Aid Endowment Fund with a contribution of $1,100,000, a Chair in Police Studies at the University of Regina with a grant of $750,000, a major grant of $3,250,000 made to the University of Saskatchewan, College of Law, Law Foundation of Saskatchewan Endowment Fund, and a grant of $2,500,000 to the University of Regina, Law Foundation of Saskatchewan Endowed Chair in Police Studies.

The Grant Stabilization Reserve was increased in 2007 by $500,000 to $3,500,000. This Reserve is intended to be used in years when interest earned on Lawyers' mixed trust accounts and investments is insufficient to fund the core grantees of the Law Foundation who rely on the Foundation for their primary funding.

The Law Foundation meets on a quarterly basis. As Chair, I attended the September 2008 annual meeting of the Canadian Association of Law Foundations held in Yellowknife, N.W.T. At the annual meeting, the Canadian Law Foundations discussed projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the continued support of the other Foundations for this project. The other Foundations increased their grants to the Centre for 2008.

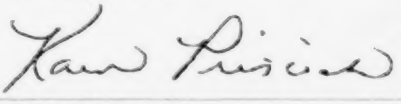
Randall J. Baker, Q.C., the previous Chair of the Law Foundation, retired effective December 31, 2007, as did Dean Brent Cotter effective March, 2008. I was appointed Chair and Catherine Knox Vice-Chair, effective January 1, 2008. Patricia Quaroni, Douglas Moen, Q.C., Deputy Attorney General, Ministry of Justice and John McIntosh, Q.C., were appointed to the Law Foundation effective January 1, 2008.

I am very pleased to have served with the current members of the Law Foundation: Appointed by the Law Society of Saskatchewan are: Catherine Knox (Vice-Chair), John McIntosh, Q.C. and Patricia Quaroni. Government appointments by the Saskatchewan Ministry of Justice are: Douglas Moen, Q.C., Deputy Attorney General, Ministry of Justice, Gordon Wicijowski, L.L.D., F.C.A. (Treasurer) and Alma Wiebe, Q.C. The Secretary is Robert Arscott, F.C.A.

We are very privileged that the citizens of Saskatchewan allow us to use interest on their trust funds for what we consider to be worthy projects that enhance our community.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Regina, Saskatchewan, this 23rd day of December, 2008.



Karen Prisciak, Q.C.
Chair

THE LAW FOUNDATION OF SASKATCHEWAN

FINANCIAL STATEMENTS

June 30, 2008

Deloitte.

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AUDITORS' REPORT

To the Members of
The Law Foundation of Saskatchewan

We have audited the statement of financial position of The Law Foundation of Saskatchewan as at June 30, 2008 and the statements of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
August 1, 2008

LAW FOUNDATION OF SASKATCHEWAN

STATEMENT OF FINANCIAL POSITION
30th JUNE 2008

	2008	2007
ASSETS		
Cash	$ 653,700	$ 2,175,271
Cash held by investment dealer	339,208	518,025
Accounts receivable	4,500	-0-
Interest receivable from solicitors' trust accounts	224,312	424,187
Investments - (Note "4")	15,574,048	8,094,558
	$16,795,768	$11,212,041
LIABILITIES, RESERVE, AND UNALLOCATED REVENUE		
Grants payable	$ 5,822,118	$ 2,850,965
Grant stabilization reserve	3,500,000	3,500,000
Allocated revenue	7,445,000	4,845,000
Unallocated revenue	28,650	16,076
	10,973,650	8,361,076
	$16,795,768	$11,212,041

On behalf of the Foundation:

Chairperson

Treasurer

LAW FOUNDATION OF SASKATCHEWAN

STATEMENT OF REVENUE, EXPENDITURES, GRANTS, AND UNALLOCATED REVENUE
FOR THE YEAR ENDED 30th JUNE 2008

		2008		2007
REVENUE:				
Interest from lawyer's mixed trust accounts		$ 8,301,754		$ 5,963,172
Interest earned on investments		601,734		356,124
Unclaimed lawyers trust accounts		19,943		157,955
Miscellaneous		4,474		1,308
		8,927,905		6,478,559
EXPENDITURES:				
Administrative				
Foundation members				
- per diem	$32,750		$25,200	
- meetings				
- regular	9,139		3,950	
- special	3,464		6,467	
Office, postage, stationery, telephone	18,151		17,176	
Office of the Secretary	96,190		87,662	
Professional fees	6,646		5,412	
		166,340		145,867
EXCESS OF REVENUE OVER EXPENDITURES BEFORE GRANTS		8,761,565		6,332,692
GRANTS AUTHORIZED (Schedule "1")		(6,068,194)		(2,762,752)
GRANTS RECOVERED		10,911		378,000
EXCESS OF REVENUE OVER EXPENDITURES AND GRANTS FOR THE YEAR		2,704,282		3,947,940
TRANSFER TO ALLOCATED REVENUE		(2,600,000)		(3,545,000)
TRANSFER TO GRANT STABILIZATION RESERVE		-0-		(500,000)
UNALLOCATED REVENUE, BEGINNING OF YEAR		16,076		113,136
CHANGE IN ACCOUNTING POLICIES (Note 3)		(91,708)		-0-
UNALLOCATED REVENUE, END OF YEAR		$ 28,650		$ 16,076

LAW FOUNDATION OF SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS
30TH JUNE 2008

1. NATURE OF THE FOUNDATION

The Law Foundation of Saskatchewan (the "Foundation") is established under the Legal Profession Act of Saskatchewan. The purpose of the Foundation is to establish and maintain a fund to be used for the purposes of legal education, legal research, legal aid, law libraries and law reform. The Foundation is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates.

Investments

Investments are classified as held for trading and measured at fair value.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is to provide protection for continuing grants in the event of future revenue reductions.

Interest

Interest income is recorded as earned and results from client trust accounts of the members of the Law Society of Saskatchewan.

Financial Instruments

The Foundation's financial instruments consist of cash, cash held by investment dealer and investments classified as held for trading, interest receivable from solicitors' trust accounts classified as loans and receivables, and grants payable classified as other liabilities. Unless otherwise indicated, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. The Foundation records transactions based on the trade date.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Held for trading financial assets are carried at fair value with unrealized gains and losses included in revenues.

Loans and receivables and other liabilities are recorded at amortized cost using the effective interest method.

3. ACCOUNTING POLICY CHANGES

On July 1, 2007 the Foundation adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Section 3855 Financial Instruments - Recognition and Measurement.

Section 3855 establishes standards for recognizing and measuring financial assets and financial liabilities which are recorded on the statement of financial position when the Foundation becomes party to the contractual provisions of the financial instrument. Financial instruments are classified according to their characteristics, management objectives or the choice of category in certain circumstances.

All financial assets must be classified as held for trading, held to maturity, loans and receivables or available for sale. Financial liabilities must be classified as held for trading or other liabilities. Any financial asset or financial liability may be designated as held for trading upon initial recognition.

Under this standard, all financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the instrument's classification. Transaction costs are capitalized on initial recognition, except for financial instruments designated as held for trading. In those cases, the transaction costs are expensed.

On July 1, 2007, the Foundation recognized all financial assets and liabilities on the statement of financial position according to their classification.

These new standards were applied retrospectively without restatement of comparative amounts. The following summarizes the adjustments made to the non-consolidated balance sheet at July 1, 2007, upon adoption of the new standards:

Decrease in investments	$91,708
Unallocated revenue	$91,708

NOTES TO THE FINANCIAL STATEMENTS
30TH JUNE 2008

4. LONG TERM INVESTMENTS

	2008		2007	
	Fair value	Cost	Fair Value	Cost
Medium term notes				
1 – 3 years	$1,111,054	$1,102,448	$1,352,545	$1,364,444
4 – 7 years	100,323	100,931	-0-	-0-
Guaranteed investment certificates				
1 – 3 years	8,057,055	7,973,000	1,647,045	1,600,000
4 – 7 years	2,657,362	2,585,000	2,095,963	2,060,000
Debentures				
1 – 3 years	103,357	102,790	102,953	102,790
4 – 7 years	200,662	201,950	198,418	201,950
Bonds				
1 – 3 years	2,419,433	2,304,535	1,663,099	1,614,255
4 – 7 years	739,072	748,814	764,179	754,371
Saving accounts	185,730	185,730	178,648	178,648
	$15,574,048	$15,305,198	$8,002,850	$ 7,876,458
Accrued interest	-	-	-	218,100
	$15,574,048	$15,305,198	$8,002,850	$8,094,558

5. CASH FLOW STATEMENT

A cash flow statement has not been prepared as it would not provide any additional useful information in understanding cash flows for the year.

6. FUTURE ACCOUNTING POLICY CHANGES

The Canadian Institute of Chartered Accountants (CICA) has issued new accounting standards which are not yet effective for the Foundation. These changes will be effective July 1, 2008 and include:

Section 1535 Capital Disclosures will require disclosure of qualitative and quantitative information to enable financial statement users to evaluate the objectives, policies and processes used by the Foundation to manage capital.

Section 3862 Financial Instruments - Disclosures will require additional disclosures about the significance of financial instruments for the Foundation's financial position and performance. Also, the Foundation will be required to disclose the nature and extent of risks arising from financial instruments, to which the Foundation is exposed, and how those risks are managed.

Section 3863 Financial Instruments - Presentation will require disclosure of certain aspects of financial instruments, such as classification and circumstances where financial instruments may be offset.

The Canadian Institute of Chartered Accountants (CICA) has also approved a plan to transition Canadian generally accepted accounting standards to the International Financial Reporting Standards by 2011. The impact of this transition on the Foundation's financial statements is not yet determinable.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation in the current year.

LAW FOUNDATION OF SASKATCHEWAN

GRANTS AUTHORIZED
30th JUNE 2008

SCHEDULE "1"

Endowed Chair in Police Studies – University of Regina	$2,500,000
Law Society of Saskatchewan Libraries	750,000
Public Legal Education Association	500,000
Law Foundation of Saskatchewan – Endowment Fund, College of Law, University of Saskatchewan	400,000
Community Legal Assistance Services for Saskatoon Inner City	300,000
College of Law Stipends LLM candidates	300,000
University of Saskatchewan Endowment – Aboriginal Law	250,000
Pro Bono Law – Saskatchewan	220,000
Saskatchewan Legal Education Society - annual	160,000
Law Foundation of Saskatchewan – Endowment Fund, College of Law, University of Saskatchewan	100,000
University of Saskatchewan College of Law – Student Scholarships	90,000
Native Law Centre - University of Saskatchewan	82,400
Saskatchewan Legal Aid Commission - Education Feasibility Study of Summary Advice	60,000
Elizabeth Fry Society	56,944
Community Legal Assistance Services – Saskatoon	43,324
Public Legal Education – website	35,847
Saskatchewan Legal Aid Commission - Eligibility Research	35,000
D. Surtees - Adult Guardianship	28,400
Saskatchewan Legal Aid Commission – Case Management System	25,000
University of Saskatchewan Moot Court Competition	25,000
Saskatchewan Review Board - "Play"	20,000
Association of French Juristes - Regina	19,284
Saskatoon Sexual Assault Centre	13,000
Yorkton Regional High School	10,000
Native Law Centre – University of Saskatchewan – moving expenses	10,000
Salvation Army - "Positive Life Style"	5,000
Canadian Association of Law Libraries	5,000
National Pro Bono Week	5,000
Saskatoon Community Mediation Services Conference	5,000
Saskatchewan Elocution & Debate - 2008 Conference	5,000
Saskatchewan Elocution & Debate - 2007 Workshop	4,000
Law Day 2008	3,995
Saskatchewan Elocution & Debate Camp	1,000
Total	$6,068,194